STAND. COM. REP. NO. 2979

Honolulu, Hawaii

MAR 2 0 2014

RE: H.B. No. 2264

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

## Madam:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 2264 entitled:

"A BILL FOR AN ACT RELATING TO INVESTMENT AUTHORITY OF THE EMPLOYEES' RETIREMENT SYSTEM,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the Employees' Retirement System to retain or dispose of real estate acquired by the Employees' Retirement System by foreclosure, in the enforcement of security, or in satisfaction of debts in the same manner as the System's other investments in interest in real property.

Your Committee received testimony in support of this measure from the Department of Budget and Finance and Employees' Retirement System.

Your Committee finds that existing law requires the Board of Trustees of the Employees' Retirement System to sell real estate acquired by foreclosure, in the enforcement of security, or in satisfaction of debts within five years after acquisition unless extended by the Governor. The Employees' Retirement System testified that there are no restrictions on the holding period for the other real estate investments of the System. This measure repeals the mandatory holding period for real estate acquired through foreclosure, enforcement of security, or in satisfaction of debts to allow the Board to make long-range plans for the affected property that are necessary for the prudent management of the System's real estate portfolio.

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As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2264, and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Judiciary and Labor,

CLAYTON HEE, Chair

## The Senate Twenty-Seventh Legislature State of Hawai'i

## Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No. HB 226	· ·	Committee Referral: Date:				
The committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members			Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)			V			
SHIMABUKURO, Maile S.L. (VC)						V
GABBARD, Mike			V			
GALUTERIA, Brickwood						V
IHARA, Jr., Les			_			V
SOLOMON, Malama						1
SLOM, Sam						
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Recommendation:  Adopted  Not Adopted						
Chair's or Designee's Signature:						
Distribution:	Original Committee Rep	Yellow eport Clerk's Office		Pink Drafting Agency		

<sup>\*</sup>Only one measure per Record of Votes